

THE UNINSURED AND UNDERINSURED
HEALTHCARE REFORM
Fact Sheet

- I. 16% of U.S. population uninsured (46.6 million) – 2005
- II. 2/3 by choice
 - i. 1/3 could be on government program but do not apply
 - ii. 1/3 earn more than \$50,000 per year
- B. $\frac{3}{4}$ are insured within 1 year
- C. 3% of U.S. population uninsured at least 6 months
- III. Uninsured predominantly work
 - A. 81% of uninsured are employed or in households headed by workers
- IV. Young adults are more likely to be uninsured than other age groups.
 - A. In 1998, rate of non-insurance for males age 21-24 was 38.9%
- V. Those in families of lower-income are more likely to be uninsured.
- VI. Effects of being uninsured
 - A. Uninsured use less care
 - 1. On average, uninsured persons use $\frac{1}{2}$ to $\frac{2}{3}$ the number and value of services compared with their privately insured counterparts and are more likely to use no health services at all
 - B. The uninsured are sicker and die sooner
 - 1. About 18,000 excess deaths among people younger than 65 are attributed to lack of coverage every year
 - 2. Uninsured adults have a 25% greater mortality risk than adults with coverage.
 - 3. Uninsured women with breast cancer have a risk of dying that is between 30 and 50% higher than for uninsured women.
 - C. Coverage is related to better outcomes
 - 1. Lack of prenatal care is associated with increased risk of preterm delivery, low birth weight infants, infant mortality, and prolonged neonatal hospital stay.
 - 2. Lack of treatment for common childhood conditions, such as asthma, anemia, and middle-ear infections can affect mental and language development, school performance, and hearing.
 - D. The uninsured often defer care and preventive services: Often when they do seek medical attention, the treatment of their condition is more difficult and more costly.
 - E. The uninsured often seek care in the emergency department that they could have received appropriately in a less expensive, more efficient out-patient setting
 - F. Providing health coverage is cost-effective for society

3. The uninsured often receive non-emergent care in the emergency department, the most expensive site for care
4. Uninsured adults with chronic diseases are less likely to receive evidence-based, timely care for their conditions. This results in more advanced disease and more costly care when it is eventually managed.
5. The economic value gained in terms of better health outcomes once those now uninsured become insured would likely exceed the additional costs of providing them with the same level of services used by those with public or private coverage.

G. The cost of covering the uninsured is everyone's problem

6. The uninsured consumed \$98.9 billion worth of care in 2001. \$38 billion of the care spent on the uninsured comes from the public or private insurance sources.

- VII. In 200, 69% of firms offered health benefits, but only 60% in 2005
- VIII. Average family of 4 spends about \$10,000 per year in taxes for Medicaid and Medicare and uninsured (more than they pay for their own insurance!)
- IX. We spend about 15.2% of GDP on healthcare
- X. Senior citizens spend about 45% of their income on health care
- XI. The current system is not reparable. Incremental change cannot repair the system. Only total reform will solve the problems of uninsurance, underinsurance and inequities.
- XII. AMA Proposal for Reform www.ama-assn.org/go/insurance-reform
 - A. Enable individuals to own and choose their health insurance
 1. Only 1 in 6 employers offer health insurance
 2. Solves problem of continuity of insurance
 - B. Establish tax credits or vouchers for the purchase of health insurance
 1. Size of tax credits should be inversely related to income
 2. Tax credits should be contingent on the purchase of health insurance
 3. Tax credits should be refundable (so those with low incomes receive check or voucher from government even if they owe less in taxes than the value of the tax credit)
 4. Tax credits or vouchers should be available in advance for those with low incomes
 5. The size of tax credits should be large enough to ensure that health insurance is affordable for most people
 6. The size of tax credits should vary with family size
 7. Tax credits should be fixed-dollar amounts for a given income and family structure
 8. The size of tax credits should be capped in any given year

9. Tax credits for families should be contingent on each member of the family having health insurance
10. Tax credits should be applicable only for the purchase of health insurance, and not for out-of-pocket health expenditures (which could encourage excess use of health services)

C. Facilitating market innovation

1. Empowering people with tax credits and freedom of choice will dramatically transform insurance markets
2. Greater uniformity of the market nationally
3. Risk-related subsidies financed through general tax revenues
4. Modified community rating, risk bands and risk corridors
5. Insured individuals protected by guaranteed renewability
6. Regulatory environment should enable rather than impede private market innovation

VI. Utah Medical Association Guiding Principles

A Utah should adopt comprehensive reform of its healthcare coverage system which:

1. Equitably provides a basic package of needed healthcare to all who live in Utah.
2. The basic healthcare package should:
 - a. Provide a mandate for all persons to participate in their healthcare choices and to bear a portion of their healthcare expenses requisite with their resources.
 - b. Allow all Utahns to choose their desired healthcare provider.
 - c. Provide incentives for healthy living and responsible utilization of health services.
 - d. Promote obtaining high quality primary and preventive health care.
 - e. Be completely portable.
 - f. Be continuous and not result in lapsed coverage due to changes in income, employment, age or marital status.
 - g. Fairly distribute the cost of care for all Utahns.
 - h. Maintain a high quality pool of medical caregivers. This includes solving our medical tort crisis.
 - i. Provide timely care.
 - j. Promote efficiency and minimize administrative costs.
3. The basic healthcare package would be universal and mandatory. Additional coverage for healthcare beyond the basic package could then be purchased by groups, individuals, employers or others in a competitive marketplace.

4. The basic healthcare package will be determined by a committee. The members of the committee will be appointed as defined by law and will include citizens that represent the complete community dynamics, including, but not limited to, patients, providers and payers and will be staffed by experts in healthcare.